

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 604 - HB 1224**

March 7, 2017

**SUMMARY OF BILL:** Broadens the definition of “uninsured patient”, for purpose of limiting costs charged by healthcare facilities, to include inmates who do not have public or private healthcare coverage.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – To the extent the maximum 175 percent of cost rate, as specified in Tenn. Code Ann. § 68-11-262, is less than the rate the Department of Correction would pay under current law for inmate care, the proposed legislation could result in a recurring decrease of state expenditures. However, the extent of any reduced expenditures is dependent upon unknown factors and therefore cannot be specifically determined.**

Assumptions:

- Tennessee Code Annotated § 68-11-262 prohibits healthcare facilities from requiring an uninsured patient to pay more than 175 percent of the cost for services provided.
- The legislation broadens the definition of “uninsured patient” to include inmates.
- The Department of Correction contracts with a vendor for medical services. If an inmate is hospitalized for treatment, the vendor pays for the medical expenses, and the Department reimburses the vendor. The vendor is required at this point to negotiate the lowest possible rate for the services which have been provided.
- To the extent the 175 percent maximum rate that could be charged is less than the rate negotiated by the vendor, the proposed legislation could result in a decrease of state expenditures. However, there are too many unknown variables to reasonably estimate the extent of any decrease in state expenditures.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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